WISCONSIN

DEPARTMENT OF WORKFORCE DEVELOPMENT
Division of Workforce Solutions
Bureau of Work Support Programs

TO: **Economic Support Supervisors**
        Economic Support Lead Workers
        Training Staff
        Child Care Coordinators
        W-2 Agencies

FROM: Stephen M. Dow
        Policy Analysis & Program Implementation Unit
        Work Programs Section

SUBJECT: **1. ADDING "CHECK/EFT PAYABLE NAME" TO CCPD**
           2. ENTERING PROVIDER TAX INFORMATION TO CCPS

EFFECTIVE DATE: July 23, 2001

PURPOSE

This memo:

- Clarifies how provider tax information must be entered into CCPS to ensure that 1099 information is sent correctly
- Describes the changes made to CCWN and CCPD, including the new "Check/EFT Payable Name" field

BACKGROUND

The IRS has identified errors in 1099's that had been sent to child care providers who were identified as having a corporation status "N" (no) and who have received $600 or more in a tax year. The main error has been that the name and the tax identification number (TIN) on the 1099 do not match the name and TIN that the federal government has on file.

Unfortunately, these errors have increased over the years in spite of Office of Child Care (OCC) and local agency efforts to ensure that 1099 information entered into CCPS is correct. DWD was fined by the Internal Revenue Service (IRS) due to the excessive errors in the 1099's for the tax year 1999. DWD was able to negotiate with the IRS to waive the fine if DWD agreed to work towards decreasing these errors.

In an effort to clean up 1099 tax information in CCPS, OCC discovered three main reasons why the tax information for 1099's was incorrect on CCPS.
These reasons are:

1. The business name used for 1099 purposes and the name used for banking purposes are not necessarily the same for a provider location. Workers were entering the name for banking purposes on screen CCWN and that name was not the name associated with the TIN.

2. The provider's business name would be entered on CCWN when their TIN is a Federal Employer Identification Number (FEIN) and their corporation status is a sole proprietor. The provider's individual name should have been entered.

3. Providers do not report their change of name to the Social Security Administration (SSA) offices. Therefore, their new name and their SSN do not match.

CHECK/EFT PAYABLE NAME FIELD ADDED TO SCREEN CCPD

A new Check/EFT Payable Name field has been added to CCPD. If the provider's bank account name is different than the name entered on the Provider Company and/or Individual Name field on CCPD, the provider's bank account name can now be entered in the Check/EFT Payable Name field on CCPD. The provider's company or individual name entered on CCWN is the name the provider has indicated in the Legal Name field on the W-9 form. This should be the name associated with the TIN.

The hierarchy for the provider name on CCPD that will appear on the check and EFT remittance is the following:

1. Check/EFT Payable Name will be used if it is completed.
2. If there is no Check/EFT Payable Name, the Provider Company Name will be used.
3. If there is no Provider Company Name, the Provider Individual Name will be used.

Here is a screen print of CCPD showing the new "Check/EFT Payable Name" field:

```
CCPD                        PROVIDER DEMOGRAPHICS                 07/11/01  12:10
UPDATED DATE: 07 11 01                                   XCT103 R BRUEGGEMAN
PROVIDER NUM: 6800036206 FEIN / SSN: 394654988  TAX IND: F  CORPORATION: N
ACTIVE SW:
     PROVIDER NAME (COMPANY):    PACKER DAY CARE
     PROVIDER NAME (INDIVIDUAL): BOB                 FAVRE

 DC: __   LOCATION : 001 PACKER DAY CARE_____   HQ : 001      LANG: E
      ENTERED CTY: 20   LOCATION CTY: 20   WORKER ID: XCT103 PYMT MTHD: HQ
      CHECK/EFT PAYABLE NAME: MRS. FAVRE_____
      CONTACT NAME:  _____ _ _____ ___
                  NUMBER   UNIT  DIR     ST/RURAL RT/BOX#  SFX  QUAD  APT
            ADDRESS: 6102_____  ___  __   FAVRE_____  ____  __  _____
                  _____
            CITY: FOND DU LAC____   STATE : WI  ZIP : 34543____
            PHONE: ___ ___ ____
                                         ALTERNATE ADDRESS: Y
                                              (PF23 TO ADD)
 COMMENT:  _____
           _____
PFKEYS: 13=CCPE 14=CCAC 15=CCQP 16=ADD LOCATION 18=CCMC 20=CCWN 22=CCCQ 23=CCAA
NEXT TRAN: _____     PARMS: 6800036206/001_____
```

NOTE: The name that will print on the attendance report forms and the authorization notices will be either the provider company or individual name. The check/EFT payable name will print only on the check or EFT remittance.

QUERY CHECK PAYABLE NAME

The worker can query on the "Check Payable" name by entering "//////(Check/EFT Payable Name)" in the parms. This new query on the "Check Payable" name has been added to the menu MNPQ.

NEW EDIT ON CCWN

When a provider has indicated on their W-9 form that their TIN is a FEIN and they are also a sole proprietor, the provider's individual and business name must both be entered on CCWN. If both the business and individual name are not entered on CCWN when the TIN is a FEIN and they are a sole proprietor, the following edit will appear:

BJX - BOTH BUSINESS NAME & INDIVIDUAL NAME MUST BE ENTERED

For 1099 purposes, the individual name is the name matched with the FEIN when the corporation status is sole proprietor. CCPS will be programmed to print the business name on the check (if there is no Check/EFT Payable Name) and print the individual name on the 1099.

CONTINUATION OF THE SSN DATA MATCH THROUGH REPORTS

OCC was not able to establish a data exchange agreement with the Social Security Administration (SSA) to do an on-line data exchange in order to identify incorrect provider SSN information. OCC will continue to periodically run a SSN/Name match with SSA and send reports to child care coordinators that identify provider name and SSN mismatches. Local agencies are to use these reports to correct the provider name/SSN information.

TIPS TO ENTERING PROVIDER TAX INFORMATION INTO CCPS

1. Always enter provider tax information using a W9 form (a copy of a W9 form is in the forms section of the Day Care Manual) completed by the provider.

2. When a day care has been bought out by a new owner and that person has a different TIN than the previous owner, end the category and authorizations in CCPS for the provider number. Enter the day care as a new provider under the new owner's TIN.

3. A new location should only be entered under a provider number if the new location uses the same business name, TIN and corporation status as the established provider.

4. Screen CCWN is established at the provider level. The information contained on CCWN is the same for all provider locations.

DWD/DWS/BWP/OCC/RB